

Considering a Short-Term Health Insurance Plan?

Ask yourself these questions before making a decision

Currently there are no companies approved to sell short-term, limited duration coverage in New Hampshire.

Shopping for health insurance can be challenging. If you're concerned about costs, the low premiums of short-term, limited duration health plans may catch your attention. However, low premiums may not save you money. If you're shopping for health insurance, here are some things to think about. When looking at a short-term plan, use these questions to help determine if this type of plan will work for you.

1. What is important to you in a health plan?

Consider what matters most to you when it comes to picking a health plan. Is it prescriptions, services for particular health conditions, or access to specific providers? Are costs a top priority? If so, is your focus on monthly premiums or the out-of-pocket costs you will spend at the doctor? Deciding what is important will help you determine what you want and need in a plan.

Does a short-term plan include what is important to you? Short-term plans are not required to cover prescriptions, mental health services, or pre-existing conditions. If you have a pre-existing condition, a short-term plan can deny you coverage, charge you more in premium, or exclude that condition from your coverage. If lower premiums are most important to you, be aware that the lower premiums might also come with higher out-of-pocket expenses when you visit a medical provider.

2. How often do you (or your family) need medical care?

You can use your past medical bills to predict your future medical costs. They will give you an idea of the medical services you may need going forward and what those will cost. In addition, if you know of any health care procedures you may need in the next year, include those costs in your estimate. The important thing is to come up with a general idea of expected needs and then determine if your plan will cover those costs. (You can use NHHealthCost.org to get cost estimates on up to 100 common medical procedures).

Will a short-term plan work for you and your family? Short-term plans typically have limits on benefits, don't cover pre-existing conditions, and aren't required to cover all routine benefits. For instance, a rider for maternity care must be offered – but would need to be selected up front, for an additional cost. Even if you only expect a moderate amount of health care services in the coming year, a short-term health plan could leave you responsible for big medical bills.

3. What are the preventative and routine health care services that you'll need in a health plan?

Preventive care includes cancer screenings, annual check-ups, and vaccinations. You may need other routine care throughout the year, such as prescriptions, maternity care, or mental health services.

Will you need preventative and routine care? While short-term plans are required to cover state mandated benefits, those mandates are specific and narrow. For instance, even if you purchase a rider for maternity care, those services might only be covered if the pregnancy begins during your coverage period and only for the duration of that period. If you sign up for a second short-term plan coverage period (after the first one ends) the company can deny maternity care as a pre-existing condition.

Other routine services – for instance, mental health services or medical equipment – may or may not be covered, so you will need to check the policy carefully if you expect you'll need them.

4. Is prescription drug coverage important to you?

Do you take maintenance medications regularly for conditions like diabetes, asthma, high blood pressure or other chronic conditions? Do you expect to need prescription medications in the future, such as pain medications, anti-inflammatory drugs, or antibiotics? Filling prescriptions is the most common way people use their health insurance, so it is important to understand how prescription coverage works. It's best to look into your plan, or the plans you are considering, to understand how they categorize and cover prescriptions in general, along with the cost-sharing for your specific prescriptions.

Will a short-term plan include the prescription drugs that I may need? Short-term plans are not required to cover prescription drugs, nor must they cover treatments for pre-existing conditions, which for many includes prescriptions, especially those for chronic conditions. The exception to this is coverage for diabetes supplies. If prescriptions are important to you or your family, a short-term plan may not meet your health care needs.

5. Have you weighed your options?

Do you want lower monthly premiums with higher costs at the doctor or hospital, or higher monthly premiums with more coverage and protections, and lower costs at the doctor or hospital? This is the basic choice when considering health insurance plans. It's not always easy to predict your health needs or your health costs, but doing a little bit of work can often show you which options could be more costly than others.

Will a short-term plan work for you? The low premiums of a short-term plan can look attractive, but will those lower premiums actually save you money in the long run? Or will the limitations of such plans leave you paying significantly more for your healthcare needs?

The New Hampshire Insurance Department Can Help:

For more information from the NH Insurance Department on open enrollment, visit our website, www.nh.gov/insurance. You can contact the Insurance Department with questions or concerns at 1-800-852-3416 or (603) 271-2261, or by email at consumerservices@ins.nh.gov.